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UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

In re ACH Direct Inc.

Serial No. 76523001

Michael D. Pegues of Munsch Hardt Kopf & Harr, P.C. for ACH Direct Inc.

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Before Hohein, Grendel and Kuhlke, Administrative Trademark Judges.

Opinion by Kuhlke, Administrative Trademark Judge:

ACH Direct Inc. has filed an application to register the mark "ATMVERIFY" (in standard character form) for services ultimately identified as "providing bank account verification information by means of both private networks

<sup>1</sup> The above application was originally examined by another examining attorney, but was subsequently reassigned to the attorney whose name is shown to prepare the appeal brief.

(leased/dedicated lines) and secured public networks (Internet SSL)" in International Class 36.<sup>2</sup>

Registration was originally refused under Section 2(e)(1) of the Trademark Act, 15 U.S.C. §1052(e)(1), on the basis that "ATMVERIFY" is merely descriptive of applicant's services. In its response, applicant argued against the refusal based on descriptiveness but in the alternative requested amendment of the application to seek registration on the Supplemental Register. Thereafter, the examining attorney issued a new refusal under Section 23 of the Trademark Act, 15 U.S.C. §1091, on the basis that applicant's alleged mark is incapable of identifying applicant's services because it is the generic term for the recited services.

When the refusals were made final, applicant appealed to the Board and requested reconsideration. After the examining attorney denied the request for reconsideration, the Board resumed the appeal. Briefs have been filed, but oral hearing was not requested.

As a preliminary matter, in view of applicant's statements in its request to amend to the Supplemental

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<sup>2</sup> Application Serial No. 76523001, filed June 16, 2003, under Trademark Act Section 1(a), 15 U.S.C. §1051(a), asserting January 1, 2002 as the date of first use and first use in commerce.

Register and in its brief, we find that the question of descriptiveness has been preserved for appeal. In order to preserve the right to argue in the alternative, applicant must request amendment to the Supplemental Register prior to appeal. While TMEP §801.02(b) (4<sup>th</sup> ed. 2005) provides that an applicant may not seek registration on both the Principal and the Supplemental Registers in the same application, TMEP §§ 816.05 and 1212.02(c) make it plain that the applicant may submit an amendment (or request to amend) to the Supplemental Register and continue to argue in the alternative that it is nonetheless entitled to registration on the Principal Register in an appeal. See also TBMP § 1215 (2d ed. rev. 2004). Accordingly, we must determine whether the mark is generic and, if not, whether it is merely descriptive.

When a proposed mark is refused registration as generic, the examining attorney has the burden of proving genericness by "clear evidence" thereof. See In re Merrill Lynch, Pierce, Fenner & Smith, Inc., 828 F.2d 1567, 4 USPQ2d 1141, 1143 (Fed. Cir. 1987); see also In re Gould Paper Corp., 834 F.2d 1017, 5 USPQ2d 1110, 1111 (Fed. Cir. 1987). The critical issue is to determine whether the record shows that members of the relevant public primarily use or understand the term sought to be registered to refer

to the category or class of goods or services in question. H. Marvin Ginn Corp. v. International Ass'n of Fire Chiefs, Inc., 782 F.2d 987, 228 USPQ 528, 530 (Fed. Cir. 1986); In re Women's Publishing Co. Inc., 23 USPQ2d 1876, 1877 (TTAB 1992). Making this determination "involves a two-step inquiry: First, what is the genus of goods or services at issue? Second, is the term sought to be registered ... understood by the relevant public primarily to refer to that genus of goods or services?" Ginn, supra, 228 USPQ at 530. Evidence of the public's understanding of a term may be obtained from any competent source, including testimony, surveys, dictionaries, trade journals, newspapers and other publications. See Merrill Lynch, supra, 4 USPQ2d at 1143 (Fed. Cir. 1987), and In re Northland Aluminum Products, Inc., 777 F.2d 1556, 227 USPQ 961, 963 (Fed. Cir. 1985).

We find that the genus of services at issue in this case is adequately defined by applicant's recitation of services, namely, providing bank account verification information by means of both private networks (leased/dedicated lines) and secured public networks (Internet SSL). Applicant's specimen of use and advertising provide further clarification that the services involve providing bank account information to merchants through private and secured public networks.

Turning to the second inquiry, the public's understanding of the term, the relevant public as shown in the specimen of use and by applicant's statements and exhibits in its July 5, 2005 Request for Reconsideration, consists of merchants, including "supermarkets, shops, and other entities dealing with many customers and their bank accounts." Br. p. 11.

In support of her position that the relevant public understands applicant's mark to primarily refer to bank account verification services, the examining attorney submitted excerpts from third-party websites where the phrases "ATM VERIFY" and "ATM VERIFICATION" appeared or where the term ATM appeared on the same website as VERIFY or VERIFICATION. The most pertinent portion from each of the website excerpts follows (emphasis added):

Now with **ATM Verify**, you can determine (virtually in real-time) the following account particulars:...Anyone can use **ATM Verify**!...There is no requirement to process your transactions through our systems, **ATM Verify** is available as a stand-alone service. [www.bizcashflow.com/](http://www.bizcashflow.com/)

Working closely with our affiliate company ATM Business.Com, Cash Now has secured certain ATM Authentication technology that allows the ATM company, to authenticate the authenticity of the ATM card that is linked to the clients ATM card...Verify consumer and business bank-account status information (via the STAR ATM network) so that you can mitigate risk of accepting back checks and maximize business efficiency. We call this Cash Now **ATM Verify**...Cash Now **ATM Verify** is

the only solution that provides you with Real-time account status information for both consumer and business accounts. With **ATM Verify** you can determine, in Real-time, whether the account is...Cash Now **ATM Verify** can be utilized with any of our products or services...Combining NCN Verify with Cash Now **ATM Verify** offers the licensees the best negative and positive databases in the industry - creating the industry's premier check verification service...Pricing Regular License fee plus \***ATM Verify** Fee...NCN Verify Fee... [www.cashflow.com](http://www.cashflow.com);

It is no longer difficult to **verify ATM** accounts when accepting payments online. In the past, many merchants refused to accept ATM payments because it was difficult to verify them...**Verifying ATM** account in real-time means there are no more worries about customers making purchases they can't afford. Their checking accounts are checked instantly and are either approved or declined. [www.articleinsider.com](http://www.articleinsider.com);

Real-time **ATM Verification** Solution...Checks are still the number one way consumers prefer to make payments. But even electronic checks can bounce. How do you give your consumers a choice and not get stuck with bad checks? The answer - **verify** the account number through the **ATM** network with the AS-2002 Payment Processing System. [www.autoscribe.com](http://www.autoscribe.com);

We will not be offering the **ATM verification** due to a flaw in the system...Checkmatic is working with one of our partners to bring **ATM verification** to our CheckMatic product line as well as our ECC products. **ATM verification** will allow us to verify the validity of a consumer account prior to exporting a transaction through the ACH. [www.checkmatic.com](http://www.checkmatic.com);

But increasingly, the systems being developed are moving in the Services layer of network architecture. In the most basic sense, many of the newest products (from large financial and technical companies) are designed to expand the existing financial services layer of Credit/ATM

verification to include new products and web functionality...The Credit-**ATM** Model is proposed for other uses as well, such as **verification** of digital cash accounts that remain on a bank server, or servicing of multiple account or payment options for consumers.  
[www.sims.berkeley.edu](http://www.sims.berkeley.edu);

Payway Direct now offers **RT-Verify** to **verify** your customer's financial institution account status in virtual real time via the **ATM** network!...This type of account status verification can determine whether a check is likely to be returned for a specific cause. [www.paywaydirect.com](http://www.paywaydirect.com);

BankRegistry's optional Account Number/**ATM Verification** can determine the current status of a bank account number by querying an extensive network that includes thousands of financial institutions like Bank of America...**ATM Verification** is also available with Lyons Integrated Services. [www.lyonsreg.com](http://www.lyonsreg.com);

XID provides an **ATM verification** system that authenticates each transaction at every machine...[www.xidtech.com](http://www.xidtech.com);

Find information regarding Credit Card, ACH & EFT processing and **Atm Check Verification** on our site...More **Atm Check Verification** Resources...Electronic payment processing. ACH debit. ACH credit...Check Verification Taken to the Next Level! ATM verify is it!.Real-Time Check **Verification** through the **ATM** Network...**ATM Verify's** Real-Time Check verification.  
[www.officeteller.com](http://www.officeteller.com);

Electronic Check Recovery/Verification (**ATM Verification** and NCN).  
[www.midamericasolutions.com](http://www.midamericasolutions.com);

For example, Verisity and Qualis Design provide E **Verification** Components (EVCs), which are reusable pieces of **verification** code based on Verisity's E **Verification** language. They save the verification engineer valuable time in writing and rewriting the **verification**

environment for a standard interface. Just as there is no value in designing your own PCI, USB or **ATM** interface block, there is no value in designing your own PCI, USB or **ATM verification** infrastructure. [www.us.design-reuse.com](http://www.us.design-reuse.com/);

CardExAsia2005 The 5<sup>th</sup> Card Technology Conference & Exhibition...2005 Kuala Lumpur...Exhibit Profile...**ATM verification**/signature.  
[www.cardexasia.com](http://www.cardexasia.com/); and

Customers can lookup deposits, maintain **ATM** schedules, **ATM verification** and balancing information, access customer profiles, order coin and currency and lookup customer service inquiries. [www.unitedarmored.com](http://www.unitedarmored.com).

In response to the refusals, applicant submitted the following dictionary definitions:

ATM Abbreviation: 1. asynchronous transfer mode  
2. automated teller machine 3. automatic teller machine.

Verification: 1. The act of verifying or the state of being verified. 2a. A confirmation of truth or authority. B. The evidence for such a confirmation c. A formal assertion of validity.  
3. *Law* An affidavit that attests to the truth of a pleading.

The American Heritage Dictionary of the English Language  
(4th ed. 2000).

In addition, applicant submitted the results from a search, using the Google search engine, of the phrase "bank account verification" plus "ATM" in support of its argument that the generic name of its services is "bank account



verification,"<sup>3</sup> and copies of various agreements with certain entities referred to in the examining attorney's evidence.

Applicant explains that its service "allows a merchant to determine in real time whether a customer's account is currently overdrawn, frozen, closed, etc. Merchants and only merchants are consumers of Applicant's service. Merchants receive Applicant's bank account verification services by connecting their computers to the Internet and/or private networks. It is very unlikely that any reasonable merchant may think that the mark, 'ATMVERIFY' is a name of bank account verification service provided via Internet and private networks." Br. p. 11.

Applicant clarifies that its service is not ATM verification, but rather bank account verification. Applicant states that the term ATM in applicant's mark does not refer to ATM teller machines but rather to "Asynchronous Transfer Mode (ATM) switches interconnected by point-to-point ATM links or interfaces." Applicant argues that "[b]ecause this term is unknown to the relevant public and Applicant's service is not provided via

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<sup>3</sup> We note that such search results are of limited probative value. In re Fitch IBCA, Inc., 64 USPQ2d 1058, 1060 (TTAB 2002) (use in a search summary may indicate only that the words in an overall phrase appear separately in the website literature.)

Automated Teller Machines, there is no ground to suggest that the relevant public may perceive the mark, 'ATMVERIFY,' as a name of bank account verification service or a way of obtaining bank account verification information via Internet and private networks." Br. pp. 5-6.

Applicant notes that the ATM networks are part of the Internet and further states that:

Although Applicant's service, speaking in technical terms, is provided via Asynchronous Transfer Mode (ATM) networks, the merchants understand the bank account verification service as being provided via the Internet and private networks. There is no ground to suggest that merchants may think that the service is being provided via Asynchronous Transfer Mode Networks. It will be fair to say that merchants are not even aware what an Asynchronous Transfer Mode Network is. The fact that a minority of computer technicians understand the term, "ATM Network" is irrelevant since Applicant is seeking registration in IC 036, Insurance and Commercial, and does not seek protection for any computer or scientific services where computer specialists would be potential customers. Determination of whether or not a mark is merely descriptive must be made in relation to the goods or services for which registration is sought.

Br. p. 11.

Applicant states that of the 14 examples, submitted by the examining attorney, of use of the phrase ATM VERIFY, ATM VERIFICATION, or ATM and VERIFY or VERIFICATION used in close proximity, 7 are applicant's clients licensed to use their services and proposed mark. With regard to the

excerpts that are not from applicant's clients, applicant notes that: (1) paywaydirect.com "shows the composite terms 'atm' and 'verify' separated by twelve other words"; (2) cardexasia.com is "dedicated to a conference and exhibition that took place on May 17-19, 2005 in Selangor, Malaysia...from the content of this website it's impossible to determine who is using the term, 'ATM Verification,' in what country the term is used, and whether this term is presently in usage...[or] whether this term represents any services or products"; xidtech.com "represents usage of the term 'ATM Verification System' for an unrelated service" specifically authentication of transactions at "every machine, ensuring that the ATM card is nontransferable and therefore cannot be used by anyone other than the owner"; unitedarmoured.com "represents another irrelevant usage of the words 'ATM Verification'"; the "[o]ther internet excerpts produced by the Examining Attorney are irrelevant as they refer to 'Check Verification/Guarantee', 'Verification Component', 'Success of Verification Reuse', 'Verification Engineers', 'Verification Reuse Ecosystem', and even 'Language Run Verification Ecosystem.'" According to applicant, only two website excerpts, autoscribe.com and lyons.com (a subdivision of autoscribe) "represent an independent usage of the term, 'ATM VERIFICATION,' for bank

account verification services." Br. pp. 4-5. Applicant concludes that the other "excerpts are irrelevant as either: a) featuring an out-of-context usage of words, 'Verification,' and/or 'ATM,' or b) referring to the usage of 'ATM Verification' for services and processes that are different from Applicant's bank account verification service." Br. p. 5.

The examining attorney argues that the fact that ATM may have different meanings in other contexts is not controlling on the question of genericness and that "the terms in the proposed mark are not ambiguous, [given that] verify means verification and the ATM tells how the verification is performed via computer network. There is simply no other way the relevant public will view this mark." Br. unnumbered p. 6. The examining attorney points to the "ubiquitous usage of the terms 'ATM' and 'Verify' or 'Verification'" in connection with "check verification and debit verification services."

As noted above, the evidentiary burden of establishing genericness of a term rests with the Office and the showing must be based on clear evidence. Merrill Lynch, *supra*, 4 USPQ2d at 1143. Based on this record, we cannot say that there is clear evidence to support a finding of genericness. Half of the examples provided by the

examining attorney are applicant's licensee's using the phrase ATM VERIFY in a manner that is not clearly generic usage. There is not one example of use of the phrase ATM VERIFY by an entity that is not applicant's client. The remaining examples where ATM appears with VERIFICATION or with VERIFY separated by several words have no probative value in determining whether the term ATMVERIFY is generic. At most, the evidence presents a circumstance of mixed use. See Merrill Lynch, supra. While this is a compound word, the record in this case is different from In re Gould Paper Corp., 834 F.2d 1017, 5 USPQ2d 1110, 1111-1112 (Fed. Cir. 1987) where the evidentiary burden was satisfied because the Office "produce[d] evidence including dictionary definitions that the separate words joined to form a compound have a meaning identical to the meaning common usage would ascribe to these words as a compound." In In re Gould, SCREEN named the object for which the WIPE is used. Here, ATM, although descriptive of the manner in which the service is provided, is not the name of any part of the bank verification service. Moreover, even in the context of applicant's services as identified, ATM could relate to either definition, the asynchronous transfer mode or automated teller machine.

Therefore, we find that the examining attorney has not established a prima facie showing that the term "ATMVERIFY" is generic for applicant's recited services.

We next address whether "ATMVERIFY" is merely descriptive of applicant's recited services.

"A mark is merely descriptive if it 'consist[s] merely of words descriptive of the qualities, ingredients or characteristics of' the goods or services related to the mark." In re Oppedahl & Larson LLP, 373 F.3d 1171, 71 USPQ2d 1370, 1371 (Fed. Cir. 2004), quoting, Estate of P.D. Beckwith, Inc. v. Commissioner, 252 U.S. 538, 543 (1920). See also In re MBNA America Bank N.A., 340 F.3d 1328, 67 USPQ2d 1778, 1780 (Fed. Cir. 2003). The test for determining whether a mark is merely descriptive is whether it immediately conveys information concerning a quality, characteristic, function, ingredient, attribute or feature of the product or service in connection with which it is used, or intended to be used. In re Engineering Systems Corp., 2 USPQ2d 1075 (TTAB 1986); In re Bright-Crest, Ltd., 204 USPQ 591 (TTAB 1979). It is not necessary, in order to find a mark merely descriptive, that the mark describe each feature of the goods or services, only that it describe a single, significant quality, feature, etc. In re Gyulay, 820 F.2d 1216, 3 USPQ2d 1009 (Fed. Cir. 1987). Further, it

is well-established that the determination of mere descriptiveness must be made not in the abstract or on the basis of guesswork, but in relation to the goods or services for which registration is sought, the context in which the mark is used, and the impact that it is likely to make on the average purchaser of such goods or services. In re Abcor Dev. Corp., 588 F.2d 811, 200 USPQ 215, 218 (CCPA 1978).

Although the evidence of record does not establish that the term "ATMVERIFY" is generic, it does establish that "ATMVERIFY" is merely descriptive of a significant feature of applicant's services, specifically that its services involve verifying information through the ATM network.

There is sufficient evidence to establish that the terms ATM and VERIFY are descriptive of the services and when combined do not create a unique impression. As shown above, some of the third-party websites show use of the terms ATM, VERIFY and VERIFICATION to describe services in the field of bank account verification. See, e.g., [www.paywaydirect.com](http://www.paywaydirect.com) and [www.lyonsreg.com](http://www.lyonsreg.com). Also, in its brochure, applicant describes its service as providing account verification through the ATM network. Finally, the combination of the descriptive terms ATM and VERIFY does

not create a new and unique commercial impression. In re Oppedahl & Larson LLP, 373 F.3d 1171, 71 USPQ2d 1370 (Fed. Cir. 2004).

Therefore, we find that "ATMVERIFY," when used in connection with applicant's bank account verification service, would immediately inform the potential users of those services that the services involve, in applicant's words, "Account Verification Through the ATM Network." Nothing requires the exercise of imagination, cogitation, mental processing or gathering of further information in order for prospective users of applicant's services to perceive readily the merely descriptive significance of "ATMVERIFY" as it pertains to applicant's services.

**Decision:** The refusal to register on the Principal Register based on mere descriptiveness under Section 2(e)(1) is affirmed. The refusal to register on the Supplemental Register based on genericness under Section 23 is reversed and registration will issue on the Supplemental Register in due course.